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Attorneys for Plaintiffs,
Rebecca Joan Joseph, Jonathan Joseph,
Steven Kramer, and Jason Joseph

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re:)	BK Case No.: 8:19-bk-12480-TA
Guy S. Griffithe)	Chapter 7
Debtor.)	Adv. No.:
_____)	COMPLAINT TO DETERMINE
REBECCA JOAN JOSEPH, JONATHAN)	DISCHARGEABILITY OF DEBT
JOSEPH, STEVEN KRAMER, AND JASON)	[11 U.S.C. § 523(a)(2)(A) and (a)(4)]
JOSEPH)	
Plaintiffs,)	Date:
v.)	Time: [TO BE SET BY SUMMONS]
GUY S. GRIFFITHE)	Place:
Defendant.)	
_____)	

TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY JUDGE:

Rebecca Joan Joseph, Jonathan Joseph, Steven Kramer, and Jason Joseph complain against
Guy S. Griffithe to determine the dischargeability of a debt owed Plaintiffs, and respectfully
represents:

STATEMENT OF JURISDICTION, PARTIES AND VENUE

1. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C.
section 1334(a) and (b) and 28 U.S.C. section 157(a) and (b). All claims for relief in this complaint
are core proceedings pursuant to 28 U.S.C. section 157(b)(2)(I).

2. Rebecca Joan Joseph (“Rebecca”), Jonathan Joseph (“Jonathan”), Steven Kramer

1 (“Kramer”), and Jason Joseph (“Jason”) (collectively, “Plaintiffs”) are the Plaintiffs in this
2 adversary proceeding. Guy S. Griffithe (“Defendant”) is the Defendant in this adversary
3 proceeding and made the various representations to Plaintiffs as set forth in this complaint, acted
4 as a fiduciary to Plaintiffs as set forth in the complaint, breached his fiduciary obligations to
5 Plaintiffs and embezzled Plaintiffs’ property (\$400,000) and converted plaintiff’s property
6 \$400,000, all to the damage of Plaintiffs as set forth herein.

7 3. Venue for the claims for relief in this adversary complaint is appropriate pursuant
8 to 28 U.S.C. section 1409(a).

9 4. This adversary proceeding arises in the Chapter 7 case of In re Guy S. Griffithe,
10 case number 8:19-bk-12480-TA, currently pending in the Santa Ana Division of the United States
11 Bankruptcy Court for the Central District of California.

12 I.

13 FACTUAL ALLEGATIONS

14 5. This lawsuit concerns a fraudulent scheme to entice Plaintiffs into investing four
15 hundred thousand dollars (\$400,000) into a company that owned a controlling interest in a
16 marijuana growing venture that was already operating profitably in the State of Washington.

17 6. Kramer and his wife were introduced to Defendant in late 2015 by Brooks Bailey
18 (“Bailey”), Kramer’s real estate agent for a home he purchased. At that time, Defendant was
19 operating a mortgage brokerage. Bailey mentioned a great investment opportunity to Kramer but
20 at that time Kramer did not have the funds to invest.

21 7. In early 2016 Bailey contacted Kramer again about a one-in-a-lifetime investment
22 opportunity (Green Acres Pharm, LLC (“Green Acres”)/Renewable Technologies, Inc.
23 (“Renewable”)) in which Bailey was going to invest and he referred Kramer to Defendant.
24 Defendant provided Kramer with a brochure regarding an investment opportunity which provided
25 financial information showing alleged potential profits for the company in 2017 of over \$31
26 million. Believing Defendant and Bailey to be truthful, Kramer introduced his family members,
27 Jason, Jonathan, and Rebecca, to Defendant to discuss the investment. The various parties had
28 numerous conversations. Defendant answered questions posed by Plaintiffs and promised that all

1 investment funds would be used to expand the marijuana oil production of Green Acres, and that
2 the build out would be done by the end of 2016, such that all investors would receive their
3 investment money back in quarterly returns on investment in 1-2 years. Defendant also boasted
4 that he was going to sell the company to a large pharmaceutical company in the future. Neither
5 Defendant nor Bailey disclosed to Plaintiffs that Bailey worked for Defendant in a production
6 company that Defendant operated at the time that Plaintiffs invested.

7 8. Defendant represented that this was a once-in-a-lifetime investment opportunity
8 and that if Plaintiffs purchased stock in Renewable, which owned a substantial interest in Green
9 Acres, they would be assured of receiving a very significant quarterly dividend and would soon be
10 millionaires when the company went public.

11 9. Defendant explained and represented to Plaintiffs that Green Acres had a legal and
12 profitable ongoing marijuana growing operation in Washington State and was looking to expand
13 into the oil production for medical purposes.

14 10. Defendant gave Plaintiffs a business plan which identified Defendant and Robert
15 Russell ("Russell") as the "Management Team." Defendant's attached bio stated that he was
16 Green Acres' "Strategic Development Director" and had "spent 20 years in the business of finance
17 and company development solutions." Defendant's bio further boasted that he was a "licensed
18 lender for 18 years, property developer and founder of several successful business platforms."

19 11. Within the business plan, there was a single sheet of financial information, which
20 stated that Green Acres would generate gross sales of \$32,000,000 in the first year of operations,
21 with net profits of \$31,230,917. It also made additional promises: (1) "These financials are
22 represented only as an estimate of low volume and high cost. This does not reflect additional
23 income being produced from the leaf of the product." and (2) "This is based on a 10,000 sq. ft.
24 facility that we have already built." and (3) "Build out cost was \$2,400,000 and the only
25 outstanding debt is approximately \$640,000 for the initial buildings owned by Bob and Sonja
26 Russell."

27 12. No other financial information of any nature was provided other than oral promises
28 of returns such that the initial investments would be repaid within two years.

1 13. Defendant was persuasive with his promises. Plaintiffs were shown glossy pictures
2 of thousands of marijuana plants in cultivation at a large storage facility ostensibly located in
3 Washington State. They were shown pictures of permits and licenses hung on the wall which were
4 represented to be evidence of Green Acres' legal operation.

5 14. The discussions ultimately turned to how much money the family members wished
6 to invest in Renewable Technologies' stock. Defendant told Plaintiffs that the stock was being
7 offered at the rate of \$100,000 for a .5% interest in Green Acres Pharm, LLC.

8 15. Based upon Defendant's representations and assurances that Renewable
9 Technologies and Green Acres were making huge legal profits, Kramer agreed to invest \$100,000,
10 Jason agreed to invest \$100,000, and Jonathan and Rebecca jointly agreed to invest \$200,000 in
11 the stock.

12 16. Over the next couple of weeks, Defendant called Kramer, who was acting as
13 spokesperson for the family for the investments, several times per day regarding the status of the
14 funds being used to invest. Kramer was using money borrowed from his parents and executed a
15 note to repay. Defendant provided all Plaintiffs identical agreements entitled "Purchase of Shares
16 Interest Agreement" ("Shares Agreement"). The Shares Agreement is extremely confusing.
17 While it seems to claim that SMRB, LLC, which operated Green Acres Pharm, LLC, and
18 Defendant and Russell, owned 100% of Renewable Technologies. By the terms, Renewable
19 Technologies Solution, Inc. was selling an interest in Renewable Technologies Solution, Inc.
20 through which the buyers would somehow own stock in SMRB, LLC at the rate of a .5% interest
21 in SMRB, LLC's stock for \$100,000, and therefore they would own the same percentage interest
22 in Green Acres. The details were not explained to Plaintiffs beyond the fact that they would own
23 a .5% interest in Green Acres for each \$100,000 invested via this purchase. Because Jonathan and
24 Rebecca were investing \$200,000, they would own a full 1 %. Kramer and Jason would each own
25 .5%.

26 17. Defendant represented to Plaintiffs that they would receive quarterly dividends in
27 perpetuity, or at least until the sale of the company.

28 18. Defendant prepared documents entitled "Purchase of Shares Interest Agreement"

1 and presented them to Plaintiffs by email in June 2016. A true and correct copy of the Shares
2 Agreement presented to Jonathan Joseph and Rebecca Joan Joseph is attached hereto as Exhibit
3 “1.” A true and correct copy of the Shares Agreement presented to Jason Joseph is attached hereto
4 as Exhibit “2.” A true and correct copy of the Shares Agreement presented to Kramer is attached
5 hereto as Exhibit “3.”

6 19. The Shares Agreements are confusing and internally inconsistent documents which
7 provide that Russell owns “100% of the issued and outstanding interest of SMRB, LLC, a
8 Washington corporation.” Elsewhere, the Shares Agreements provide that Plaintiffs would
9 purchase an interest in SMRB, LLC from Renewable Technologies Solution, Inc. The amount of
10 stock/units purchased under the Shares Agreements was indicated to be one half of one percent
11 (.50%) each for Jason and Kramer and (1.0%) for Jonathan and Rebecca. The Shares Agreements
12 do not state percent ownership was based on all outstanding shares/units in SMRB, LLC or only
13 the amount owned by Renewable Technologies Solution, Inc. (which would appear from the face
14 of the Shares Agreement to be none). The purchase price for the interest being acquired was
15 \$100,000 for Jason, \$100,000 for Kramer and \$200,000 for Jonathan and Rebecca. This money
16 was paid by Plaintiffs to Defendant in June 2016 by wire transfer.

17 20. After payment, communications largely stopped. Plaintiffs had to harass Defendant
18 or further information. Plaintiffs never received any evidence of their ownership in SMRB, LLC,
19 Green Acres Pharm, LLC or Renewable Technologies Solution, Inc. After Kramer repeatedly
20 called Defendant regarding the quarterly dividend for the third quarter of 2016, Defendant finally
21 provided Kramer, Jason, and Jonathan and Rebecca with checks for a dividend payment in
22 December 2016. Every time a dividend payment came due, Kramer had to repeatedly call
23 Defendant on behalf of his family to find out when the payments would be made. Defendant
24 assured Plaintiffs that the companies were doing well and were profitable and made many excuses
25 why the dividends were slow in being sent and why checks bounced, claiming problems with the
26 accountant, with the post office, with checks, etc. When dividend payments were made, they were
27 made from different accounts with different company names. The last dividend paid to Plaintiffs
28 was for the third quarter of 2017. These dividend payments for five quarters totaled approximately

1 10% of the Plaintiffs' original investments.

2 21. In August 2017, Defendant contacted Plaintiffs and said that the companies needed
3 to correct their paperwork because there had been some mistakes. He indicated that the change in
4 the paperwork would not change the investment, and everything else would be same as the
5 investment would just transfer over. Defendant indicated that no further quarterly payments would
6 be made until the new documents were signed. Defendant provided Plaintiffs with a Mutual
7 Rescission of Shares Interest Agreement ("Recession Agreement"), which they executed. That
8 Rescission Agreement purported to cancel the Shares Agreement. Defendant then provided
9 Plaintiffs with Subscription Agreements for a "Membership Interest" in Green Acres Pharm, LLC,
10 the company represented as owner of a 49% interest in SMRB, LLC. Plaintiffs refused to sign the
11 original version of the Subscription Agreement, which asked them to confirm that they were
12 "Accredited Investors" under federal securities laws, which they are not. After this language was
13 removed, Plaintiffs executed the Subscription Agreements. No money was returned to them as
14 part of this transaction.

15 22. The Subscription Agreement and Rescission Agreement executed by Jonathan and
16 Rebecca is attached hereto as Exhibit "4." The Subscription Agreement and Rescission Agreement
17 executed by Jason is attached hereto as Exhibit "5." The Subscription Agreement executed by
18 Kramer is attached hereto as Exhibit "6."¹

19 23. The Subscription Agreements provide that they are governed by California law.

20 24. After the payment of their investment funds, Plaintiffs repeatedly asked Defendant
21 for financial information on Renewable Technologies Solution, Inc., Green Acres Farms, LLC,
22 and SMRB, LLC. Initially no financial information was forthcoming, but ultimately, they were
23 provided in March 2018 with a "2017 Company Overview" glossy brochure that indicated net
24 income for Green Acres Pharm, LLC in 2017 of \$317,813.53. While far less than the \$31,000,000
25 promised, this was a profit. Then, no dividend payments were made for the last quarter of 2017
26 or the first quarter of 2018. After harassing Defendant for information on the missing payments,
27

28 ¹ Kramer has not been able to locate his copy of the Rescission Agreement, but it was the same in form as those of
his other family members.

1 tax forms, and status of the companies, Defendant ultimately provided Plaintiffs with a new P&L
2 statement for Green Acres Pharm, LLC in June 2018, showing a loss for 2017 of \$334,042.26 and
3 a loss for the first quarter of 2018. No further dividend payments have been made.

4 25. Plaintiffs also repeatedly requested tax documents for the dividends they received,
5 but those were not provided.

6 26. At a conference call with investors on August 16, 2018, Defendant and Russell
7 admitted that the company(ies) had lost money, really never made money, and that Defendant paid
8 all of the quarterly dividends “out of his own pocket.” Defendant and Russell also admitted that
9 the buildings on the property where Green Acres Pharm, LLC was operating were not owned by
10 Russell.

11 27. Defendant filed a voluntary Chapter 7 case on or about June 26, 2019. At the time
12 of the Chapter 7 filing, Defendant owed Plaintiffs no less than \$400,000. Plaintiffs allege this
13 amount is nondischargeable. This amount is subject to proof at trial.

14 28. As both a direct and proximate cause of Defendant’s conduct, Plaintiffs allege they
15 have been damaged as set forth below.

16 II.

17 FIRST CLAIM FOR RELIEF (11 U.S.C. § 523(a)(2)(A))

18 29. Plaintiffs incorporate and reallege paragraphs 1 through 28, inclusive, as though
19 fully set forth herein.

20 30. In June 2016, Defendant made the following representations to Plaintiffs:

21 a. Plaintiffs would own a minority interest in Green Acres Pharm, LLC,
22 which would be evidenced by a stock certificate;

23 b. Green Acres Pharm, LLC was already operating profitable as a company
24 and would be finishing a buildout to expand operations with their investments by the end of 2016;

25 c. Plaintiffs would be paid quarterly dividends from profits starting at Q3 of
26 2016;

27 d. Plaintiffs would receive quarterly financial statements accurately reflecting
28 Green Acres Pharm, LLC’s financial position, including income, expenses and business

1 performance;

2 e. Plaintiffs would receive a payment whenever Green Acres Pharm, LLC
3 made a disbursement to other equity holders;

4 f. Green Acres Pharm, LLC was fully licensed to legally grow marijuana in
5 Washington State and was prepared to immediately prepare and sell oils;

6 g. Green Acres Pharm, LLC had a significant inventory of marijuana plants in
7 cultivation;

8 h. Green Acres Pharm, LLC did not have any debt and owned the buildings on
9 its property;

10 i. Green Acres Pharm, LLC was financially sound and had a market value of
11 over \$20M;

12 j. Defendant had a substantial net worth and would back Plaintiffs'
13 investment;

14 k. Green Acres Pharm, LLC would generate over \$30M in sales from January
15 1, 2017 through December 31, 2017;

16 l. Green Acres Pharm, LLC was operated by an experienced team of honest
17 people;

18 m. Defendant had extensive experience in running marijuana grow operations;

19 n. Plaintiffs would make back their initial investment in a few years;

20 o. Plaintiffs would receive regular updates and financial information from
21 Defendant; and,

22 p. Brooks Bailey was also investing in Green Acres Pharm, LLC.

23 31. Each of these representations was in fact false and Defendant knew at the time he
24 made the aforementioned representations that each was false. In truth,

25 a. Plaintiffs did not receive evidence of an ownership interest in Green Acres
26 Pharm, LLC or any other entity;

27 b. Green Acres Pharm, LLC was not operating profitably, continued to be
28 unprofitable in 2017, and did not use the Plaintiffs' investment money to finish the build out nor

1 did it finish the build out in 2016;

2 c. Plaintiffs have not been paid the quarterly dividends promised and the
3 “dividends” paid were actually money from a different source;

4 d. Plaintiffs have not received accurate financial information regarding Green
5 Acres Pharm, LLC or any other entity;

6 e. Green Acres Pharm, LLC, Renewable Technologies Solution, Inc., SMRB,
7 LLC, and other equity holders, including Defendant, have received disbursements that Plaintiffs
8 have not received;

9 f. Green Acres Pharm, LLC was not prepared to prepare and sell oils;

10 g. Green Acres Pharm, LLC did not have an inventory of marijuana plants as
11 they had to be sold;

12 h. Green Acres Pharm, LLC had and has significant debt;

13 i. Green Acres Pharm, LLC is not financially sound;

14 j. Defendant does not have a substantial net worth;

15 k. Green Acres Pharm, LLC failed to generate anything close to \$30M in sales
16 from January 1, 2017 to December 31, 2017;

17 l. Green Acres Pharm, LLC is not operated by an experienced team of honest
18 people;

19 m. Defendant does not have meaningful experience running marijuana ow
20 operations;

21 n. Green Acres Pharm, LLC has not taken any steps to register itself for a
22 public offering – indeed as a limited liability company, it cannot do so as a matter of law;

23 o. Plaintiffs have not made back their investment;

24 p. Plaintiffs have not received accurate updates or financial information, and
25 instead have had the financial status of the Defendant’s continually misrepresented to them; and

26 q. Plaintiffs are informed and believe and thereon allege that Brooks Bailey is
27 not an investor in Green Acres Pharm, LLC, and worked for Defendant.

28 32. Defendant made the aforementioned representations with the intent and goal that

1 Plaintiffs would rely thereon and pay to Defendants \$400,000 to purchase securities in Green Acres
2 Pharm, LLC, Renewable Technologies Solution, Inc., and SMRB, LLC.

3 33. Plaintiffs were unaware of the falsity of the aforementioned representations at the
4 time they paid to Defendants \$400,000 and purchased securities in Green Acres Pharm, LLC,
5 Renewable Technologies Solution, Inc., and/or SMRB, LLC

6 34. Plaintiffs reasonably relied upon the false representations made by Defendant.
7 Plaintiffs would not have given Defendant \$400,000 or purchased securities in Green Acres Pharm,
8 LLC, Renewable Technologies Solution, Inc., or SMRB, LLC if they had known the truth of
9 Defendant's false representations.

10 35. As a direct and proximate result of the fraudulent conduct of Defendant, Plaintiffs
11 have sustained economic damages in an amount of no less than \$400,000, plus pre-judgment
12 interest, costs and attorney's fees according to proof.

13 36. Defendant's conduct has resulted in general damages to Plaintiffs, including
14 emotional distress, anxiety, fear and worry in amount not less than \$400,000, subject to proof at
15 trial.

16 37. Defendant's conduct was done intentionally and willfully, with the purpose and
17 design to defraud Plaintiffs. Defendant knew that his conduct would cause Plaintiffs great
18 financial and emotional harm. Defendant's conduct was wanton, willful and completely devoid
19 of any legitimate purpose. Left unchecked these two individuals will seek to defraud and cause
20 harm to others.

21 38. Plaintiff asserts that Defendant's omissions of materials facts and intentional
22 misrepresentations and subsequent loss of \$400,000 constitutes constitute false pretenses, false
23 representations, or actual fraud, and said debt is nondischargeable pursuant to pursuant to Untied
24 States Code, title 11, section 523(a)(2)(A).

25 III.

26 SECOND CLAIM FOR RELIEF (Section 523(a)(4))

27 39. Plaintiffs incorporate and reallege paragraphs 1 through 38, inclusive, as though
28 fully set forth herein.

1 40. At all times relevant herein Defendant was a managing member of Green Acres
2 Pharm, LLC and therefore owed a fiduciary duty to Plaintiffs, who own a minority interest therein.

3 41. At all times relevant herein, Defendant was the CEO, Secretary, CFO and Director
4 of Renewable Technologies Solution, Inc. and therefore owed a fiduciary duty to Plaintiffs, who
5 own a minority interest in the company.

6 42. Defendant breach his fiduciary duty in several ways, including:

7 a. Failing to provide Plaintiffs evidence of their ownership interest in each
8 respective company;

9 b. Failing to provide Plaintiffs accurate accounting and financial information;

10 c. Failing to provide Plaintiffs accurate tax information;

11 d. Failing to pay all taxes, fees and fines as the same have come due;

12 e. Failing to give Plaintiffs access to corporate books and records;

13 f. Failure to keep accurate books and records for the companies and accounts;

14 g. Failing to hold an annual shareholder/member meeting;

15 h. Failing to hold an annual board of director meeting;

16 i. Failing to follow prescribed rules and laws governing the maintenance of
17 corporate books and records;

18 j. Failing to follow applicable bylaws and corporate resolutions regarding the
19 management of the companies;

20 k. Misrepresenting the financial status of the companies;

21 l. Engaging in criminal activities, which puts the company and its owners in
22 jeopardy;

23 m. Gross mismanagement;

24 n. Theft and conversion of company assets;

25 o. Failure to disclose money to Plaintiffs which they were entitled to receive
26 as shareholder/member;

27 p. Diverting assets so as to put them beyond the reach of Plaintiffs;

28 q. Paying himself excessive and/or non-disclosed salaries;

- r. Misrepresenting company income and expenses to Plaintiffs;
- s. Using company assets and funds to pay his personal non-business-related expenses;
- t. Diverting business opportunities to other ventures and/or himself; and
- u. Self-dealing.

43. Defendant acted without justification and against the interests of Plaintiffs. Plaintiffs did not consent to the wrongful actions of Defendant as alleged herein.

44. As a direct and proximate result of Defendant's breach of his fiduciary duty, Plaintiffs have sustained economic damages in an amount of no less than \$400,000, plus prejudgment interest, costs and recoverable attorney's fees, all subject to proof at trial.

45. Plaintiffs assert that the Defendant's breach of fiduciary (fiduciary defalcation) and embezzlement of Plaintiffs' \$400,000 constitutes a breach of fiduciary duty and embezzlement, and said debt is nondischargeable pursuant to section 523(a)(4).

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray for money judgment and determination of nondischargeability of debt pursuant to section 523(a)(2)(A) and (a)(4) against Defendant as follows:

FIRST CLAIM FOR RELIEF

1. For money judgment against Defendant and in favor of Plaintiffs in an amount of no less than \$400,000 but subject to proof at trial;
2. That the \$400,000 debt owing by Defendant to Plaintiffs be determined nondischargeable pursuant to 11 U.S.C. section 523(a)(2)(A);
3. For attorneys' fees and costs;
4. For interest thereon; and,
5. For such other and further relief as the Court deems just, equitable and proper.

SECOND CLAIM FOR RELIEF

6. For money judgment against Defendant and in favor of Plaintiffs in an amount of no less than \$400,000 but subject to proof at trial;

1 7. That the \$400,000 debt owing by Defendant to Plaintiffs be determined
2 nondischargeable pursuant to 11 U.S.C. section 523(a)(4);

3 8. For attorneys' fees and costs;

4 9. For interest thereon; and,

5 10. For such other and further relief as the Court deems just, equitable and proper.


6
7 Dated: September 26, 2019

STREAM KIM HICKS WRAGE & ALFARO, PC

8
9 By: /s/ Jamie E. Wrage

10 Jamie E. Wrage
11 Attorneys for Plaintiffs,
12 Rebecca Joan Joseph, Jonathan Joseph,
13 Steven Kramer, and Jason Joseph
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ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS Rebecca Joan Joseph, Jonathan Joseph, Steven Kramer, and Jason Joseph		DEFENDANTS Guy S. Griffithe		
ATTORNEYS (Firm Name, Address, and Telephone No.) Jamie E. Wrage, SBN 188982 Stream Kim Hicks Wrage & Alfaro PC 3403 Tenth Street, Suite 700, Riverside, CA 92501 Telephone number: (951) 783-9470		ATTORNEYS (If Known) Bert Briones Red Hill Law Group 15615 Alton Parkway, Ste. 210, Irvine, CA 92618 Telephone: (714) 733-4455		
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) First Claim for Relief: Omissions of materials facts and intentional misrepresentations and subsequent loss of constitutes constitute false pretenses, false representations, or actual fraud, and said debt is nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A); Second Claim for Relief: Breach of fiduciary duty and embezzlement, and said debt is nondischargeable pursuant to 11 U.S.C. § 523(a)(4).				
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; border: none;"> FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input checked="" type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: right;">(continued next column)</div> </td> <td style="width: 50%; vertical-align: top; border: none;"> FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) </td> </tr> </table>			FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input checked="" type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: right;">(continued next column)</div>	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
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<input type="checkbox"/> Check if this case involves a substantive issue of state law		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23		
<input type="checkbox"/> Check if a jury trial is demanded in complaint		Demand \$ 400,000.00		
Other Relief Sought (2) Debt determined nondischargeable; (3) attorneys' fees and costs, (4) interest thereon; and (5) any other relief as the Court deems just, equitable and proper				

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Guy S. Griffithe		BANKRUPTCY CASE NO. 8:19-BK-12480-TA
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISION OFFICE Santa Ana	NAME OF JUDGE Theodor C. Albert
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) 		
DATE September 26, 2019		PRINT NAME OF ATTORNEY (OR PLAINTIFF) Jamie E. Wrage

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.